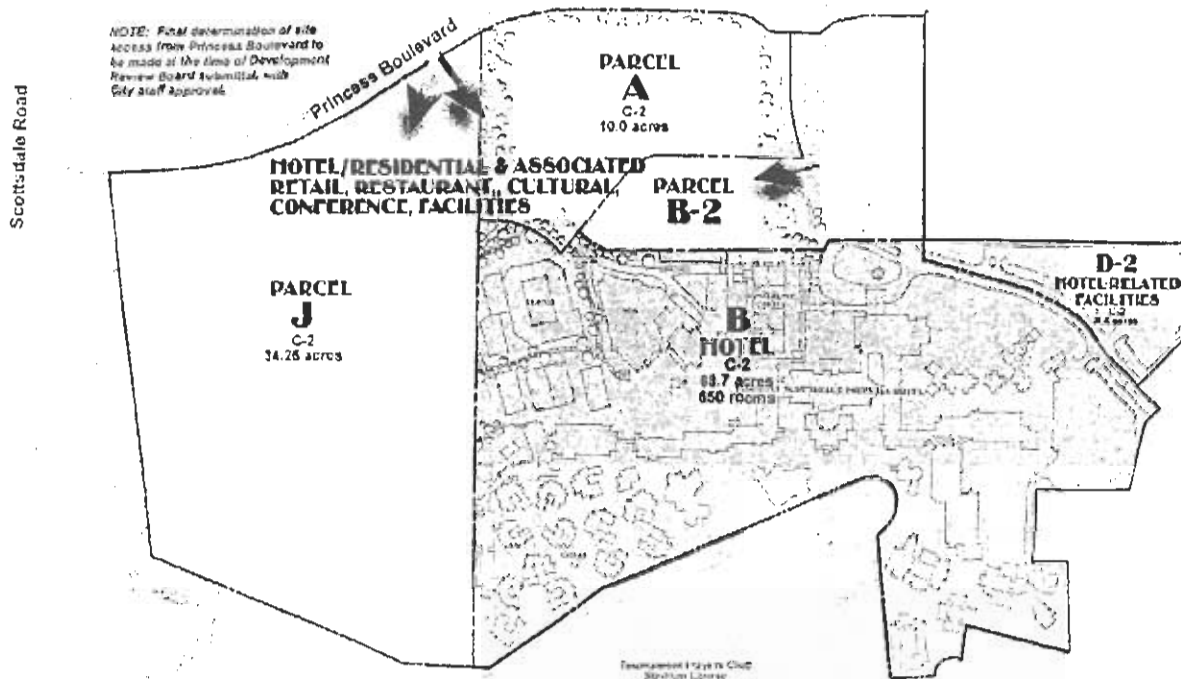


I. INTRODUCTION

The proposed amendments to the Scottsdale Princess Planned Community District (PCD) consist of two primary components:

1. Revision of uses for Parcels A and B-2 (location of Fairmont Scottsdale Princess parking lot and vacant land, north of the hotel)
2. Expansion of the PCD to include Parcel J (land recently leased from the Arizona State Land Department between the hotel and Scottsdale Road)

The following narrative describes each of these components. The figure below shows Parcels within the PCD that are affected by this amendment. A copy of the overall Planned Community District is included at this end of this Narrative, showing residential parcels east of the hotel.



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SCOTTSDALE PRINCESS

Scottsdale Princess/Eagle PCD

PARCEL KEY MAP

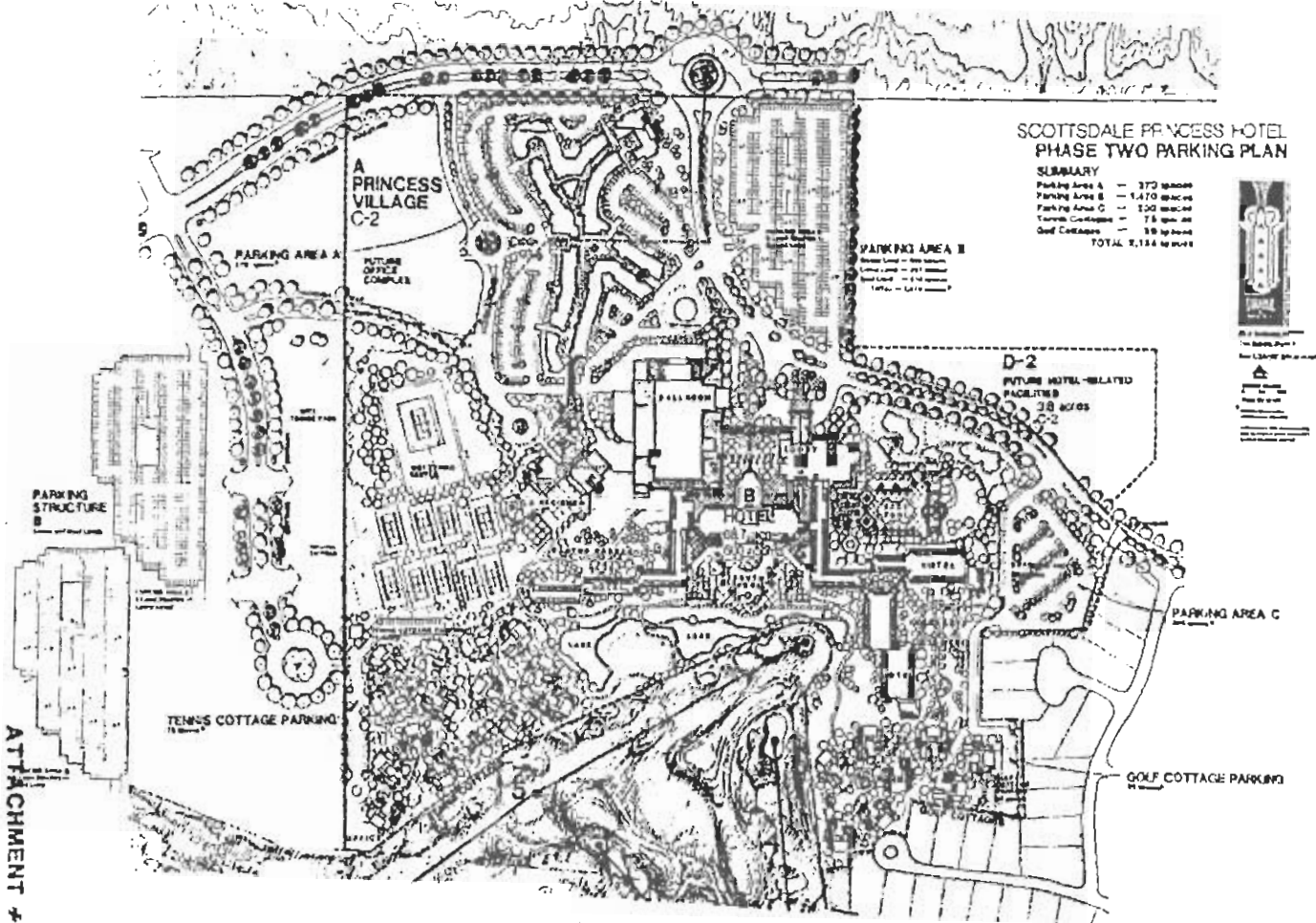
II. PARCELS A and B-2

The most recent zoning case to address Parcels A and B-2 was approved in 1987. Per this case, a retail village ("Princess Village") was approved to include: 41,700 sq. ft. of retail uses, 15,000 sq. ft. of restaurants, 75,000 sq. ft. of offices, 370 surface parking spaces on Parcel A and 1,470 spaces in a three-level parking structure on the east side of Princess Drive.

The 200 "winter rental apartments" previously approved for Parcel A were eliminated but the right to develop a maximum of 1,053 total units within the PCD was retained. Staff was given authority to approve reallocation of the units as long as the maximum density allowable within a given zoning category was not exceeded.

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A detail from the approved development plan that accompanied Case 63-Z-87, showing Phase Two improvements for Parcels A and B-2 is included below.



63-Z-87

III. PARCEL J

Parcel J is State Trust Land leased by Fairmont in August of 2002. It was formerly part of the Core South/Forest Cities Planned Community District and was zoned in 1986 as CO-PCD, Commercial Office. Under the approved zoning, up to 895,000 square feet of office development would be allowed.

Fairmont acquired a 99-year lease on the parcel from the State Land Department to allow for future expansion of the hotel and ancillary uses and to provide a protective buffer between the hotel and intense uses planned and under development to the north and west.

At this time, we are requesting that Parcel J be rezoned from CO-PCD to C-2-PCD, consistent with C-2-PCD zoning on Parcels A and B-2 (the hotel parcels). Given the rapid evolution of markets and development character in this area, we want to maintain flexibility with regard to specific uses and site plans for Parcel J. It is likely that the parcel will be developed in phases, over a two to five-year period. The final mix of uses will evolve with the City's plans for the area and with market factors and will be consistent with development character specified on page 5. Uses may include hotel-related guest units, residential units, clubhouse, meeting space, recreation areas and other amenities, with associated retail, restaurants, bars and cultural facilities.

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IV. TRAFFIC IMPACTS

Traffic impacts of the proposed PCD Amendment are documented in a *Trip Generation Comparison* memorandum from Paul Basha, P.E., P.T.O.E., of Olsson Associates, dated February 27, 2003. The *Comparison* analysis updates and corrects information submitted as part of our initial zoning application in August, 2001.² A copy of this memorandum is included with this Narrative as Appendix B.

Updated and corrected trip generation projections are based on the following land use assumptions:

Approved (per Case 63-Z-87)

Parcels A and B-2

41,700 square feet of retail
15,000 square feet of restaurants
75,000 square feet of office uses

Parcel J/State Lands

895,000 square feet of development under
CO-PCD zoning (assume 90% office, 5%
restaurant and 5% retail uses)

Proposed

Parcels A and B-2

50,000 square feet of resort
conference space

Parcel J/State Lands

350 resort/residential units
100,000 square feet of retail
50,000 square feet of restaurants
25,000 square feet of cultural uses
30,000 square feet of hotel clubhouse,
recreation, amenities
20,000 square feet of resort conference

ESTIMATED DAILY TRAFFIC VOLUME (See Appendix A for additional information)

	Approved	Proposed	Difference (Approved vs. Proposed)
Parcels A and B-2	5,523	615	-89%
Parcel J (State Lands)	18,766	13,816	-26%
TOTAL	24,289	14,431	-41%

SOURCE: Olsson Associates

As presently approved, the combined traffic generated by Parcels A, B-2 and J would generate 24,289 vehicle trips per day.

The current PCD amendment application represents a substantial reduction in the number of trips that would be generated. Daily vehicle trips projected go from 24,289 to 14,431, a reduction of 41%.

Recognizing that the proposed uses will generate much less traffic than those previously approved, it is requested that the staff be given the flexibility to approve minor modifications to uses and square footages. If the uses, or the square footage of uses, change to the extent that projected trips increase by 20% or more, a revised Traffic Impact Study will be prepared and submitted to City staff for approval prior to Development Review Board hearing.

²Fairmont Scottsdale Princess Expansion Traffic Impact Analysis, August, 2001, amec Infrastructure. It should be noted that trip generation totals in this analysis were high. They assumed potential retail development of the entire State Land parcel (Parcel J). They also assumed apartment development on Parcel A/B-2, which was not correct, as Case 63-Z-87 had eliminated the apartments and replaced them with Princess Village retail/restaurant uses.

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V. DEVELOPMENT CHARACTER: PARCELS A, B-2 AND J

All proposed development will be compatible with the character and quality of the Fairmont Scottsdale Princess and the Scottsdale Princess community in terms of uses, design, materials, color, landscaping and scale.

A. Land Use Character

The following uses are anticipated at this time and are denoted as maximums:

Hotel and related residential units	350 units*
<i>*Increases maximum allowable for the overall PCD to 1,403 units</i>	
Retail uses	100,000 sq. ft.
Restaurants, bars, lounges	50,000 sq. ft.
Cultural uses	25,000 sq. ft.
Hotel clubhouse, recreation, amenities	30,000 sq. ft.
Conference, meeting, event space	20,000 sq. ft.

NOTE: It is requested that staff also be given the authority to approve distribution of uses within the boundaries of Parcels A, B-2 and J so long as stated maximum intensity is not exceeded. A final site plan showing proposed uses will be submitted prior to Development Review Board hearing.

B. Hotel and Related Residential Units

Resort hotels have historically been an important part of Scottsdale's economic foundation, from the old-time guest ranches of yesteryear to the exclusive golf and conference resorts of today. The character of the hotels has evolved over time. Today's hotels include the conventional guest units and casitas but may also involve a variety of new options. The Fairmont Scottsdale Princess is studying the following options for future expansion of hotel and hotel/residential uses:

- traditional hotel rooms
- casita clusters – small groups of attached units, similar to the existing casitas
- units that are part of a fractional ownership/timeshare pool, managed by the hotel
- VIP casitas – detached units at 3,000 to 5,000 square feet
- privately owned condominium units, serviced by the hotel

It is likely that future development will include a mix of these unit types, up to the stated maximum of 350 units. The hotel and hotel/residential units will be designed to appear as an extension of the existing Fairmont Scottsdale Princess property in terms of character, quality, site planning and landscaping.

C. Retail Uses

Any retail uses developed will complement the character and quality of the hotel and residential community. Among the types of uses anticipated are art galleries, antique stores, a bookshop, bakery, clothing stores, wine shop, gift shop, Indian arts and crafts, western/cowboy shop and similar uses. These businesses will appeal to both hotel guests and residents.

Retail uses will be designed to create a unique, pedestrian-oriented, amenity-rich environment. It is not our desire to build a scatter of cookie cutter franchise establishments, each on its own isolated pad. We will not, for example, allow adult uses, pool halls, mini-storage units, big box retail or car washes. We will work to attract one-of-a-kind, "upscale" uses and to create an intimate shopping village unlike any other in north Scottsdale.

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Retail uses will:

- be compatible in character in scale, architecture, landscaping and detailing with the Fairmont Scottsdale Princess and its established design guidelines.
- be clustered into a shopping "village" and/or integrated into hotel buildings.
- be planned to create an active pedestrian-oriented environment
- consist of uses of a character that appeal to both hotel/resort guests and area residents.

D. Restaurants, Bars and Lounges

An important component of the resort hotel environment is the offering of a variety of dining experiences and opportunities for social drinking and entertainment. After a hard day of meetings at the hotel, guests may like to be able to stroll over to a nightclub for live jazz or to a cigar bar for a connoisseur's smoking experience without the hassle of driving, directions and parking. The Fairmont Scottsdale Princess is renowned for its fine bars and restaurants. Any new eating and drinking establishments built within the PCD will have to meet a high standard.

- It is not our desire to have "fast food"/drive-through restaurants such as Burger King or Taco Bell.
- Bars and restaurants will be integrated into the plan for the retail village or into hotel buildings.
- There will be a mix of quality, sit-down restaurants and boutique, unique cafes and bars.
- There may be live entertainment provided, subject to a Use Permit.

E. Cultural Uses

The Fairmont Scottsdale Princess attracts visitors to Scottsdale from all over the world. For many, this is their first visit to Arizona and they are immensely curious about the desert, cowboys, Native Americans and the Southwestern heritage we take for granted. For hotel guests busy with conference meetings and events, the opportunities for satisfying this curiosity without considerable travel and interruption are limited. It is hoped that interpretive and cultural elements can be incorporated into new development and planning, such as:

- Exhibit space, with programming from Scottsdale Cultural Council, Arizona Commission on the Humanities, Scottsdale Historical Society, Rex Allen Arizona Cowboy Museum, Heard Museum and other organizations.
- Interpretive paths and gardens, with information about desert plants, historic uses of plants, possibly incorporating elements such as sculpture, seating and small waterhole features.
- Small art events, where local artists of quality can exhibit and offer work for sale, including art demonstrations and lectures.
- Small performance spaces and events for dance, theater, chamber music, Native American performers, cowboy poets and musicians and similar types of performers.
- Space for art workshops and art schools, possibly in conjunction with established organizations such as Scottsdale Artists School and Scottsdale Cultural Council.

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F. Hotel Clubhouse, Recreation, Amenities

Depending on the types of hotel and residential units that are developed, there may be a need for additional guest/resident facilities. Among the types of facilities under consideration are:

- A Wrigley Mansion-style clubhouse building with restaurant and meeting space
- One or more small clubhouses for specific areas within the hotel/residential unit developments
- Opportunities for outdoor recreation, such as:
 - croquet
 - bocce ball
 - swimming pools
 - exercise course
 - fishing
 - square dancing
 - walking and jogging
 - children's play
- Lawn areas for events, visual open space and passive recreation.
- Gardens and paths
- Small water features where people can sit by them and interact with them, read, relax, visit.
- Small ramadas or "outdoor parlours" where people can enjoy a mesquite wood fire in winter and a shady retreat in summer.

G. Conference, Meeting and Event Space

The current application includes a 50,000 square foot addition to the Princess Conference Center. This addition consists of a junior ballroom, meeting and break-out rooms, prefunction space, support and service facilities. The expanded facilities are needed to maintain the Fairmont Scottsdale Princess' position as new hotels open in the City of Phoenix and competition for conference, event and meeting business increases. For the past several years, the Princess has needed to use a tent in the parking lot to accommodate some events.

- The architectural character of the expanded Conference Center will complement that of the existing hotel.
- Materials will match existing materials and color palette – stucco, clay tile roofs, precast concrete columns, wrought iron railings and ceramic tile accents.
- Landscaping will draw from the master plant list approved for the PCD and the existing landscape character.
- The Conference Center will include outdoor pedestrian plazas and activity/function areas. These will be designed with shade and other pedestrian amenities.
- Strong pedestrian connections will be provided between the Conference Center, parking areas, the hotel's pathway system and the rest of the hotel property.

H. Parking Deck

A new parking deck is proposed behind the existing Princess Boulevard berm. The design of this deck will use the substantial grade difference between Princess Boulevard and land to the south to reduce its visual impact. The upper level of the parking structure will be at approximately the finished floor level of the hotel (+/-1,562 feet), below the top of the existing landscape berm (+/-1,565 feet) that parallels Princess Boulevard. The lower level will be at a finished grade of approximately +/-1,551 feet at the southwest corner of the structure.

The structure will accommodate approximately 1,100 parking spaces. Access to the parking structure will be via a drive from Princess Drive (private hotel access road) to Princess Boulevard. Final Princess Boulevard access location will be approved by City staff prior to Development Review Board hearing.

- The parking structure will be designed so its architectural character is consistent with that of the hotel and Conference Center.
- The parking structure will be sited and screened to minimize visual impacts from Princess Boulevard and Princess Drive.
- The parking structure will be designed for ease of pedestrian circulation and security, both with the structure and through sidewalk/pathway linkages to the rest of the hotel property.

I. Site Planning

- A strong emphasis in site planning will be placed on encouraging pedestrian circulation and amenity. Conflicts with motor vehicles will be minimized, through peripheral parking and motor vehicle circulation.
- A trail/pathway system will link Parcel J to Parcels A, B and B-2. This system will be planned for use by service carts and well as pedestrians. It may include interpretive and exercise course elements.
- Service access to the maintenance yard south of the southwest corner of Parcel J will be maintained.

J. Architectural Character

- All buildings will be compatible with the character of the Scottsdale Princess community and with the approved Scottsdale Princess Design Guidelines in the CC&Rs.

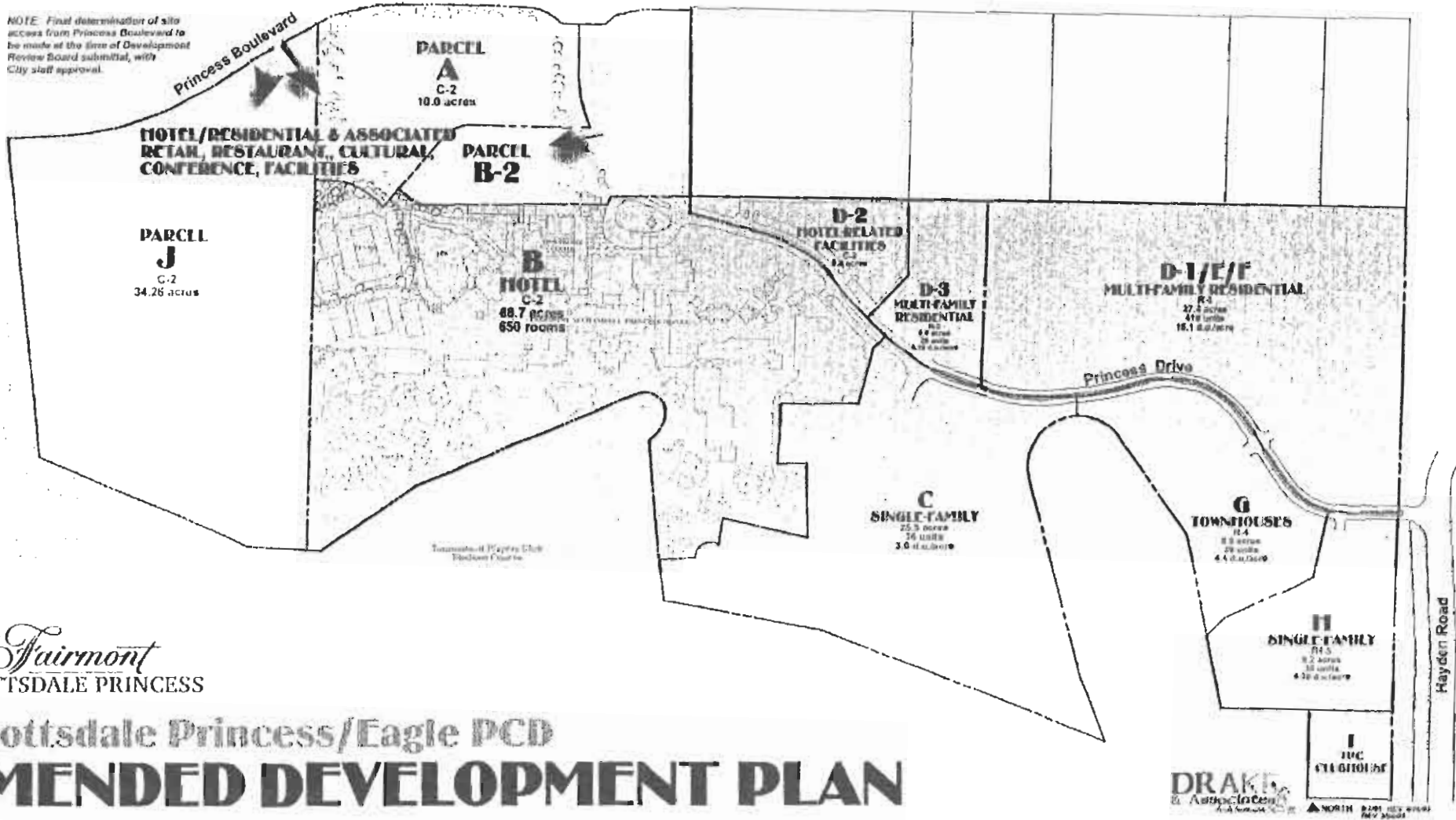
K. Landscaping Character

- Landscaping will use materials from the Approved Plant List (Master Landscape Plan) and character will be consistent with that of the Fairmont Scottsdale Princess hotel and community.
- Within Parcel J, a hierarchy of open spaces will be provided, preserving views of the mountains and golf course.

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Scottsdale Road

NOTE: Final determination of site access from Princess Boulevard to be made at the time of Development Review Board submittal, with City staff approval.



The Fairmont
SCOTTSDALE PRINCESS

Scottsdale Princess/Eagle PCD AMENDED DEVELOPMENT PLAN

DRAKE
& Associates
Architects, Inc.

▲ NORTH
1/4" = 100' (SEE MAP)

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